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JAN 27 1949

TO: Budget Officer  
FROM: Budget Branch  
SUBJECT: Recommended procedure for budgetary control of UV funds

1. Late in December 1948 the Budget Division prepared the third quarter fiscal year 1949 allotments for each active allotment account. Although the pending reorganization of the Administration and Management group was then known, specific details were uncertain and funds were accordingly allotted upon the basis of the organizational structure as of that date. Now that the essential particulars as to organizational changes have been announced, their implications to funds control remain to be effected.

2. A revised chart of allotment accounts has been approved and distributed. The matter of unvouchered funds control remains to be decided and in this connection a procedure is recommended, certain portions of which are joint proposals of the Budget Branch and Accounts Division officials.

3. Allotment of Unvouchered Funds - During the first six months of fiscal year 1949, allotments of unvouchered funds were controlled by three accounts. The Accounts Section of the Fiscal Division maintained separate allotment accounts by office for OSO and OPC and, under account 319-102 "Budget and Finance - Special Activities", recorded the transactions

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for all other agency organizational units operating under unvouchered funds.

a. It is recommended that effective immediately a single quarterly consolidated unvouchered allotment be issued to represent the total needs of all the agency organizational units. This allotment will be issued to the Budget Officer, under unvouchered account symbol 319-000, in triplicate; original will be forwarded to the Deputy C; the action copy to the Accounts Division, Fiscal Branch, for entry to the official agency records; the third copy will be retained in the Budget Branch.

b. The Accounts Division will post estimated overall obligations and actual expenditures against this allotment as at present.

c. The BC Branch will treat this consolidated allotment as the overall agency limitation for unvouchered obligation purposes, for the stated period. Internal controls upon BC records will be by individual accounts, by means of specific allotments to be issued for each organizational unit, in amounts based upon approved PRC projects.

d. The Budget Branch will issue individual unvouchered allotments for approved PRC projects whose total will agree with the overall consolidated allotment described above. Copies will be distributed as follows—

1. original - to respective organizational units
2. action copies - to BC Branch
3. control copies - remain in the Budget Branch

e. The BC Branch will be responsible for establishing controls to assure that the unvouchered allotments are not overobligated.

f. None of the individual branch allotment copies will be sent to the Accounts Division, Fiscal Branch, because the latter's records are based upon the overall summary consolidated agency allotment.

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4. Obligation Reports - The Fiscal Branch will continue to report unvouchered obligations monthly on Form 34-12 "Report of Obligations by Object Classes". Reports in duplicate will be forwarded to the Budget Branch on or before the eighth of each month, covering the consolidated allotment accounts as well as the three accounts that have been closed. (OSO - OPC - E&F Special Activities). The BC Branch will continue to report on "Schedule A" etc. until further notice.

5. Obligations - For this purpose, unvouchered obligations will include all advances, commitments for payment and actual payments made in behalf of any agency organizational unit to which an unvouchered allotment is issued.

6. Action to be taken if above recommendations are approved--

- a. Budget Branch -
  1. In coordination with the BC Branch, will prepare the first individual allotments to be issued under this procedure
  2. Will prepare the consolidated allotment for official recording by Fiscal Branch
  3. Will distribute the unvouchered allotments as explained above.
  4. Will withdraw third quarter unvouchered allotments that have already been issued to the Fiscal Branch under the former procedure.

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**b. Fiscal Branch**

**Accounts Div. - 1. In coordination with the Budget**

**Branch will close all deactivated  
accounts (for new obligations)**

**2. Will open the new consolidated account.**

**c. BR Branch**

**1. Will open appropriate accounts as  
required, based upon unvouchered  
allotments received from the  
Budget Officer.**

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